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SENSITIVE SIPDIS

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SUBJECT: UPDATE ON IMPACT OF NATURAL GAS CUTOFF ON CROATIA

REF: ZAGREB 00006

1.(SBU) At close of business Zagreb time on January 8 the situation with the natural gas cutoff in Croatia remains largely unchanged from reftel. The Croatian Ministry of Economy spokesperson confirmed to post that still no gas is coming in from Russia. Households continue to be unaffected. The Ministry of Economy spokesperson said they issued a request to the 37 local gas distributors yesterday to minimize distribution to industries, but they have not gotten a response yet as to whether reductions have been implemented. The Croatian power company (HEP) spokesperson told post they are not yet concerned about operating at minimal levels of natural gas. They are prepared to switch to alternate fuel (oil) in such situations and can cope at this level of gas for some time. Press reports quote HEP representatives saying they have heating oil supplies for 40 days for Zagreb. Press reports also indicate INA is negotiating for more supplies from Italy and possibly North Africa in case the cut-off from Russia persists.

12. (SBU) The media is running stories about the effect the gas shortage is having on Croatian businesses. Additionally, the Ministry of Science, Education, and Sports is scheduled to make a decision on Saturday whether to delay the opening of schools after the winter break due to gas cutoff. So far complaints about the GoC response have been fairly limited; however, today opposition MP Ljubo Jurcic of the SDP criticized the GoC for not being prepared for the crisis.

BRADTKE